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Audit News Brief Series – Eligible Services and Technology Plans

July 1, 2009

This is the last in a series of three short News Briefs dedicated to issues identified during the Improper Payments Information Act (IPIA) Round 2 beneficiary audits.

ELIGIBLE SERVICES

Only certain products and services, used in certain ways, are eligible for Schools and Libraries Program support. Eligibility is based on criteria established by statute and Federal Communications Commission (FCC) rules.

Four categories of eligible services have been established by the FCC:

- Telecommunications Services
- Internet Access
- Internal Connections
- Basic Maintenance of Internal Connections

Services and products may be eligible, not eligible, or conditionally eligible for support. The [Eligible Services List](#) for each Funding Year provides details about eligible equipment and services and the conditions under which they are eligible.

Requests for Telecommunications Services and Internet Access (Priority 1 services) are funded first, and remaining program support is then applied to approved requests for Internal Connections and Basic Maintenance of Internal Connections (Priority 2 services). Because of the cap on annual funding, not all approved requests for Priority 2 services will necessarily receive support for a given Funding Year. Support for Priority 2 services begins with the most economically disadvantaged schools and libraries.

First Priority for Funding (Priority 1 Services)

- **Telecommunications Services.** These are services that are used to communicate information electronically between sites. The services must be provided by a "telecommunications carrier" - i.e., an organization that provides telecommunications services on a "common carriage" basis. Examples of these services include basic telephone service and digital transmission services such as T-1 lines.
- **Internet Access.** "Basic conduit access" to the Internet including e-mail is eligible for discount and can be provided by a telecommunications carrier or any commercial organization.

Second Priority for Funding (Priority 2 Services)

- **Internal Connections.** Internal connections consist of the wiring and components that expand data access within a school or library, such as to individual classrooms in a school or public areas of a library. Internal connections can be provided by any commercial organization.
- **Basic Maintenance of Internal Connections.** Basic maintenance of internal connections consists of services "necessary to enable the continued operation of the eligible equipment." It includes: repair and upkeep of eligible hardware, wire and cable maintenance, basic technical support, and configuration changes.

In addition, the FCC has determined that a voice mail service can receive support as Telecommunications Services or Internet Access, and certain voice mail products can receive support as Internal Connections.

The [Eligible Services Framework](#) and the [Eligible Services List](#) both provide information about product and service eligibility. [Frequently Asked Questions about Eligibility of Products and Services](#) contains additional information. You can also find guidance on specific topics in the [Reference Area](#).

TECHNOLOGY PLANS

An approved [technology plan](#) sets out how information technology and telecommunications infrastructure will be used to achieve educational goals, specific curriculum reforms, or provide library service improvements. Applicants that seek Program support only for [basic telephone service](#) – e.g., local, cellular, and/or long distance (and, starting with FY2008, Centrex service) – do not need a technology plan. **Applicants should retain documentation showing that their technology plan was written prior to filing their Form 470.**

Technology Plan Timeline

- The technology plan is required to be eligible for discounts on products or services other than [basic telephone service](#).
- The technology plan must be written before the posting of the Form 470 AND – if one is issued – a Request For Proposals (RFP).
- Applicants must certify on both the Form 470 and the Form 471 that the request for services is based on a written technology plan.
- The technology plan must be approved by a USAC-certified technology plan approver (TPA) before the start of discounted service or the filing of the Form 486, whichever is earlier.

Technology Plan Requirements

The technology plan must cover the entire funding year (July 1 to June 30), but should not cover more than three years. It MUST contain the following five elements:

- Goals and a realistic strategy for using telecommunications and information technology.
- A professional development strategy to ensure that the staff understands how to use these new technologies.
- An assessment of the telecommunications services, hardware, software, and other services needed.
- A technology budget covering the amounts necessary to acquire and support the elements of the plan not financed by the E-rate program.
- An ongoing evaluation process that enables the school or library to monitor progress toward the specified goals and make mid-course corrections in response to new developments and opportunities as they arise.

You can use the [TPA Locator tool](#) to find a USAC-certified TPA that can approve your technology plan.

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